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Held at Headquarters, New York, on Friday, 9 July 2004, at 10 a.m.

President: Mr. Neil. . . . . (Jamaica)

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The meeting was called to order at 10.15 a.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Follow-up to policy recommendations of the General Assembly and the Council (A/59/84-E/2004/53, A/59/85-E/2004/68, E/2004/60, E/2004/CRP.7 to CRP.10)

1. **Mr. Ocampo** (Under Secretary-General for Economic and Social Affairs) began by recapitulating the salient points of the debate on the operational activities for development of the United Nations system, and noted that progress had been made in implementing reforms that were generally considered to have improved the coordination, coherence and effectiveness of action taken by the United Nations system in support of national development efforts. He singled out for special praise the harmonization of analysis and planning tools with national and international priorities; simplification and harmonization of procedures and processes; adoption of a results-based planning system; establishment of common premises and services; and strengthening of the resident-coordinator system.

2. The progress achieved had not been disseminated throughout the system, however, particularly to organizations with no country presence; and internationally agreed development objectives still remained to be translated into national priorities and objectives to obtain concrete results in the field, and thus uphold the commitments made at the Monterrey International Conference on Development Financing and at the Millennium Summit. In that regard, the United Nations was well placed to help developing countries assimilate the Millennium Development Goals (MDGs) at the national level – an issue that was specially important from the standpoint of the Millennium Declaration Review to be undertaken next year. It was also widely acknowledged that the efficacy of the system's operational activities should be measured on the basis of the Organization's capacity to provide assistance to those countries, and especially to LDCs.

3. The reform needed to help channel resources and technical competencies more effectively towards developing countries; but achieving that would require a further reduction in transaction costs, in order to improve the quality and consistency of assistance programmes, and ensure that the reform process was targeted on results. If the United Nations system were to have a greater impact in developing countries, the system for supervising its operations at the national level needed to adopt more flexible and innovative infrastructure and funding mechanisms, and establish a unified development framework, in order to help those countries take ownership of the process and define their own objectives and priorities.

4. The speaker stressed that the current debate needed to focus on planning tools that already existed at the national level, such as poverty reduction strategic papers (PRSPs), and on genuine control of such instruments by developing countries. The United Nations system should provide those countries with the means to translate global accords into national priorities, and to integrate them into their national development process. The global consensus on MDGs made that task easier, and the United Nations could act as intermediary to ensure that the policy framework agreed upon at the global level led to results in the field.

5. The task, which involved expressing global objectives in a national setting and allocating sufficient resources for that purpose, posed a challenge not only for the United Nations system, but for all other stakeholders too. The complementary aspects of the different roles should also be taken into account, since the United Nations could play a major part in strengthening capacities in developing countries and channel resources more towards budgetary support than the funding of programmes; and the Economic and Social Council, in addition to the triennial comprehensive policy review process, could help improve the effectiveness of development cooperation on a system-wide basis.

6. In the current context, it was essential for development actors to take account of the phase of transition from peace to development; and the triennial policy review process was very important for defining the links between peace and the Economic and Social Council, and for bridging the gap between humanitarian support and development assistance. That transition, which embraced both humanitarian and development aspects, needed to be taken into account by the Council, and in the triennial policy review framework.

7. Adequate and predictable funding was a precondition for planning and effective implementation of programmes, and for obtaining results. While the overall level of official development assistance had been increased, it was unequally distributed and was tending to be allocated more towards specific purposes. The debate revealed that not only the quantity, but also the quality of resources were important. A mechanism was needed to oversee it, and the Economic and Social Council could contribute to the corresponding debate.

8. Lastly, in view of the weaknesses of the United Nations security system when faced with attacks that were increasingly targeting its staff and buildings, there was widespread recognition of the need to implement an improved and more effective security system, which required cooperation from all system organizations.

9. **Mr. Al-Nasser** (Qatar) speaking on behalf of the Group of 77 and China, welcomed the holding of the triennial policy review, which he considered very important since it visualized the development-assistance role of the United Nations from an integrated long-term perspective. He also praised the quality of the Secretary-General's report on that subject (A/59/85-E/2004/68). He applauded the efforts being made by United Nations country teams and resident coordinators to improve coherence, cooperation and coordination in the development-aid domain. Developing countries needed a balanced development strategy that encompassed all their assistance needs and tallied with their national strategies. He considered that the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) had an important role to play in making sure the operations implemented by the various United Nations agencies were mutually consistent. He added that the links between those instruments and PRSPs needed to be defined more clearly.

10. In reference to paragraph 143 of the Secretary-General's report, the representative of Qatar deplored the fact that the Bretton Woods institutions were not sufficiently integrated, particularly in terms of links between their instruments and those of other agencies, for example between PRSPs and CCA/UNDAF. In contrast, he welcomed the implementation by six agencies of a framework plan for coordinated assistance in the trade sector.

11. The Group of 77 and China also welcomed the steps taken by the United Nations Development Group (UNDG) to improve the effectiveness and convergence of operational activities for development at the national level, but stressed that some of them risked raising the transaction costs of those activities, rather than simplifying processes. With regard to countries taking ownership of their development processes, the United Nations system could play a useful role in strengthening their capacity to formulate and implement their own policies.

12. As development was a multi-dimensional phenomenon, it called for a global approach; and, thanks to its varied competencies, the United Nations system was well placed to form a general overview encompassing all types of assistance, whether in post-conflict situations or assistance to LDCs and other developing countries and those with economies in transition. It could also bridge the gap between national development efforts and international global processes, taking account of social and environmental issues linked to trade and development policies.

13. In addition, United Nations entities that did not have a presence in the field and had varied skills were making a useful contribution at the national level, which ought to be strengthened. The Secretary-General should make recommendations on that subject in the next report. Nonetheless, while agencies that traditionally maintained country offices, such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) or the United Nations Population Fund (UNFPA), had a decisive role to play in providing essential services in developing countries, they did not ensure all dimensions were taken account of. For the triennial policy review to add real value to the operational activities of the United Nations system, it was necessary to consider whether changes should be made to existing mechanisms or to the resident-coordinator system, whether a more neutral oversight body should be created at the global level, and whether the organizations of the United Nations system reflected current realities.

14. The representative of the Group of 77 and China stressed that the United Nations system should set out to encourage the transfer of knowledge and technologies towards developing countries on a more systematic basis, in order to strengthen capacities in those countries. He noted that, despite the support

provided by the United Nations system, this was not happening on a large scale in the case of South-South cooperation. He stressed that it was essential to relaunch that form of cooperation and to mobilize the international community in that regard.

15. While it was important to allocate sufficient resources, in line with the objectives pursued in the reform framework, the quality of assistance was also very important, along with stable and predictable funding. The Millennium Development Goals called for a considerable effort from the international community. The reform of operational activities needed to lead to specific results if the United Nations system were to remain credible. It was also necessary to address the problem of disparity between the resources available to the Bretton Woods institutions and those available to the United Nations system. Lastly, the Group of 77 and China insisted that development funds should be used as effectively as possible and only to support development activities.

16. **Mr. van den Berg** (Netherlands), speaking on behalf of the European Union, said that candidate countries for membership of the European Union (Bulgaria, Romania, Turkey and Croatia), along with States of the Stabilization and Association Process, and potential membership candidates such as Albania, Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro, all supported his statement.

17. In the context of the triennial comprehensive policy review at the 59th session of the General Assembly, the European Union welcomed the holding of an in-depth debate on the operational activities for development of the United Nations system, and reaffirmed its readiness to collaborate with other Member States and United Nations agencies to strengthen operational activities that contributed to the implementation of national development strategies. Recalling the statement made by the UNDP Administrator at the recent Board meeting held in Geneva, the speaker wondered whether the United Nations was really ready to assist developing countries to effectively fight poverty in the world; and in that connection he stressed the need for urgent reform of the organization's operational system.

18. Achieving the Millennium Development Goals was a vast and complex task, especially in Africa, for which donors and their partner countries needed to collaborate within a robust and homogeneous multilateral system. Despite the key role of United Nations organizations, their contribution to the attainment of MDGs at the country level was being hindered by the fragmentation of structures and institutions, and by decentralization of decision-making. Member States needed to make sure the system remained coherent.

19. The two reform processes aimed at improving the effectiveness of United Nations operational activities, set in motion by the Secretary-General in 1997 and 2002, had been crowned with success: new mechanisms had been set up to strengthen coordination and collaboration with external partners and within the United Nations system itself; cooperation with the Bretton Woods institutions had improved; and clear progress had been made on the simplification and harmonization of procedures.

20. United Nations country teams did much to promote national control of development programmes and to encourage debate. As a defender of the Millennium Development Goals at the country level, the United Nations had helped implement coherent policies centred on those goals. It was also making an essential contribution to the strengthening of planning capacities, and to MDG implementation and follow-up at the national level; and its mechanisms were essential for improving the joint effects of the country teams, CCAs and UNDAFs.

21. Nonetheless, the contribution of the United Nations to the Millennium Development Goals needed to be increased further, especially in terms of improving the effectiveness of development activities at the country level. The European Union welcomed the Greentree Report and, while agreeing that it needed to be exploited to make the United Nations more effective in the field, there was a need for greater participation by specialized agencies. The representative of the European Union listed six measures, set out in detail in the official paper prepared by the European Union, which summarized its priorities for the overall triennial policy review and would make an essential contribution to the reform process: (1) align United Nations instruments such as CCAs and UNDAFs more closely with national development plans and strategies, particularly with PRSPs; (2) eventually change the UNDAF and its results matrix into a common programming tool, which would save time, economize on labour and reduce

transaction costs for all partners involved; (3) use the UNDAF results matrix to oversee the contribution made by United Nations country teams to the achievement of MDGs adapted to each country; (4) simplify and further harmonize procedures, and improve the cost-effectiveness ratio of the United Nations in the field, implementing common support services at all levels, between then and 2007; (5) strengthen the role of the Resident Coordinator to meet increasing responsibilities and difficulties arising from greater harmonization and an integrated United Nations action at the country level; (6) in countries where coordination can become almost a full-time endeavour, devise a division of tasks between the Resident Coordinator and the UNDP Resident Representative, in order to strengthen the coordination capacity of United Nations country teams and ensure the tasks taken on by UNDP were more effectively accomplished.

22. Pointing out that the Millennium Development Goals reflected a worldwide desire to eradicate poverty, the speaker drew attention to the key role played by the donor community in providing adequate funding. All member States of the European Union had reiterated their determination to achieve the official development assistance target of 0.7% of their gross national product, set by the United Nations; and the latest figures showed that they were on the way to achieving this.

23. In addition to increasing resources, all development partners needed to work together to make assistance more effective. That meant implementing the Rome Declaration on Harmonization, improving joint planning between donors under government direction, and aligning programming with national development strategies (such as PRSPs) and national procedures and mechanisms. It was essential to ensure a stable and predictable funding base for the operational activities for development of the United Nations system. As mentioned in the Secretary-General's report, the United Nations is prey to a contradiction between the proliferation of its activities and a lack of funding. The European Union believed the problem should be tackled in the context of making the United Nations development system more effective. For that purpose, outcomes and resources were very closely linked and should be the subject of a comprehensive debate.

24. Claiming to be ready to participate in a far-reaching dialogue on the advantages of joint meetings between the Executive Boards of UNDP, UNFPA and the World Food Programme (WFP) in order to consider the possibility of delegating collective decision-making to participants at those meetings, pursuant to the coordination guidelines and supervisory role of the Economic and Social Council, the European Union called for the issue of joint meetings be reviewed in the framework of debates on the triennial comprehensive review at the next session of the General Assembly.

25. Furthermore, the European Union had long been in favour of preparing joint evaluations of the effects of UNDAFs, from the country standpoint rather than that of each United Nations agency, which would provide an overview of the system's operational activities. Those evaluations could also be reviewed at joint meetings between UNDP, UNFPA, UNICEF and WFP, and collective guidelines could be given to those four programmes and funds. Such meetings would also provide a chance to debate progress on simplification and harmonization, on the quality and effectiveness of CCAs and UNDAFs, and on operational cooperation between United Nations programmes and funds and the Bretton Woods institutions.

26. Turning to the issue of gender equality, the representative of the European Union viewed this as a way to achieve development objectives, and, in particular, as essential for attaining the Millennium Development Goals. To ensure the success of gender mainstreaming policies, Governments, international organizations and institutions at all levels would need to make a firm commitment in that direction; and it would be necessary to mobilize sufficient financial and human resources. The issue of gender mainstreaming had been addressed at the Economic and Social Council debate on coordination issues. The European Union again called on the United Nations development system to oversee commitments in that area. Efforts to ensure gender equality and the advancement of women would not bear fruit unless they were implemented by individual countries and adapted to each case. The systematic incorporation of a gender perspective in the preparation, implementation and follow-up of planning instruments was a key strategy on the path to MDG attainment.

27. Aware that the transition from conflict to sustainable development was not a sequential process but involved several elements simultaneously, the European Union realized that each process was unique; it was therefore necessary to understand the history of

each case in order to intervene effectively and adequately. Nonetheless, there were some problems in common, and the United Nations system should strive to improve the coordination of its activities and collaborate more effectively to assist countries in transition. The same principle applied to a lesser extent to countries that were recovering from a natural disaster.

28. The European Union proposed that a section on transition be added to the resolution on the triennial policy review, to provide guidelines on how United Nations operational and humanitarian actions could provide better assistance to countries in transition; and how coordination within the United Nations system as a whole could be improved, with a view, eventually, to achieving the Millennium Development Goals on a global scale. It also suggested maintaining the section on humanitarian assistance, which reaffirmed humanitarian principles and referred to the possibility of using a global appeal procedure to mobilize resources at times of crisis, specifically for humanitarian needs and the protection of civilians.

29. **Mr. Hofer** (Switzerland) stressed that the current debate was particularly timely not only in the context of the triennial comprehensive policy review of United Nations operational activities, but also in view of events concerning the structure of development in general.

30. Negotiations to replenish the resources of the International Development Association and the African Development Fund were underway; and decisions would be taken that could have a major effect on the overall multilateral structure, including the United Nations system, thereby aggravating the lack of coherence. It was also necessary to rebuild the resources of new multilateral funding mechanisms, such as the Global Fund to Fight Aids, Tuberculosis and Malaria, which required an additional funding effort at a time when official development assistance was growing only modestly.

31. New concerns were also emerging at the same time, relating to the achievement of a number of development objectives established at the international level (such as the Millennium Development Goals), improving the effectiveness of assistance, reducing transaction costs, and results-based management and oversight.

32. Moreover, the alarming situation of countries that were susceptible to chronic crises would eventually require a comprehensive review of security and development issues. Switzerland was convinced that the United Nations operational system should continue to play a decisive role in the development structure. It was nonetheless concerned by the system's lack of dynamism, which would possibly be unable to cope with the difficulties inherent in a constantly changing context in which all partners needed to be competitive.

33. Thanking the Secretariat for its accurate analysis of a very complex subject, the representative of Switzerland welcomed the efforts made since the last triennial policy review in 2001 by UNDG members – especially the four main programmes and funds – to simplify the United Nations operational system and make it more effective. Encouraging results had been achieved at the country level.

34. Nonetheless, the scale and complexity of the United Nations operational system, compounded by a lack of strategic direction and other human factors, meant that the situation was only evolving slowly. It was necessary to maintain or speed up the pace of reform, disseminate instruments more widely, and apply them as systematically as possible. The role of evaluation in the system as a whole also needed strengthening, in order to draw lessons from experience and use it more strategically, particularly to measure the results and usefulness of integrated procedures undertaken by the system, especially at the country level. The specialized agencies were also lagging behind in the reform process, and solutions had to be found to make sure their knowledge and skills were disseminated and used throughout the system. The next triennial policy review should call upon all United Nations operational agencies to collaborate under the auspices of a functional resident-coordinator system.

35. Switzerland was also aware of the funding difficulties being faced by the United Nations operational system. Over the last 12 years, the United Nations had been forced to take major steps to ensure the achievement of objectives set internationally at conferences and summits, but the complementary resources had not been forthcoming. The system was tending to be financed by earmarked funds and other multilateral and bilateral arrangements rather than by core resources, which created difficulties and contradictions as described in the Secretariat's report.

36. Drawing on its experience in funding United Nations activities, Switzerland proposed several ways to remedy the situation: (1) undertake an analysis of the overall multilateral development structure, with more active participation from the Economic and Social Council, and in collaboration with the Organisation for Economic Co-operation and Development (OECD) and the Development Assistance Committee (DAC); (2) raise public awareness, in particular among the donor community, of the advantages provided by the United Nations (neutrality, presence in the field, capacity to bring together political and humanitarian conditions and to establish a climate of security that favoured development – necessary elements in addressing transition situations, etc.); (3) increase the number of donors, and in particular increase participation by emerging economies, not only to obtain complementary resources directly, but also to show that developing countries were giving their political support to United Nations partners.

37. While approving the guidelines announced in the Secretariat's report, Switzerland stressed that other measures needed to be implemented, in particular to make United Nations funding much more predictable.

38. **Mr. Sunaga** (Japan) pointed out that development partners had set themselves common strategies and objectives to achieve the Millennium Development Goals. In that spirit, the crucial role played by the United Nations system needed strengthening not only to provide technical and financial assistance to beneficiary countries, but also to help them formulate their own development policies.

39. Sharing the points of view expressed in the Secretary-General's report on the importance of a people-centred approach, Japan was working to promote the notion of human security within the international community, and considered that a bottom-up approach aimed at protection and emancipation of populations that were prone to various threats was essential for development. Within this perspective, it had created the United Nations Human Security Fund, to which it had made a contribution of US$ 227 million, in order to support the transition from emergency assistance to development in post-conflict regions.

40. Japan welcomed the active role played by United Nations entities in activities relating to humanitarian assistance, transition and consolidation of peace, stressing that it was essential to adopt an integrated approach to crises that combined development, humanitarian assistance and action to foster peace and security, particularly in support of peace-keeping operations. Japan believed the role of United Nations agencies should be based on their specific competencies; it applauded the fact that UNDG had created the Inter-Agency Working Group on Transition, and it welcomed the regular exchange of information between United Nations programmes and funds and the Secretariat.

41. As this was a triennial policy review, Japan emphasized that simplification and harmonization of procedures were essential to obtain concrete positive results in the field; and it proposed three measures to achieve that objective: (1) make sure that United Nations donors and development organizations gave beneficiary countries the means to choose their development assistance modalities; (2) encourage those organizations to review assistance modalities taking into account the specific circumstances of each country; (3) avoid imposing development assistance modalities on donors, assistance agencies and partner countries, because only a case-by-case approach was valid for development aid.

42. The United Nations specialized agencies should do more to provide support at the country level. Technical assistance in the field was extremely important and should be debated in greater depth at the next triennial policy review.

43. While promoting South-South cooperation not only to assist bilateral cooperation programmes but also through the intermediary of the Special Unit for Technical Cooperation between Developing Countries, Japan knew from experience that this was a very effective way to promote technology transfer and give beneficiary countries control over their own development strategies. Although that concerned the trade and investment sector in particular, it could also have numerous other fields of application. Japan would therefore like other United Nations agencies to make efforts to promote such cooperation.

44. Document E/2004/60 raised the issue of inter-agency decision-making for the four United Nations programmes and funds, namely UNDP, UNFPA, UNICEF and WFP. Japan stressed that all countries concerned should participate in decision-making, and

know which issues could be regulated at each level, i.e. the joint meeting of the Executive Boards, the Economic and Social Council and the General Assembly. That issue, which would be reviewed at the next session of the General Assembly, should be debated in greater depth by the countries and agencies concerned.

45. **Mr. Fedotov** (Russian Federation) said that the review of operational activities was taking place at a time when United Nations bodies were playing an increasing role in development. Those organizations had to respond to ever more numerous demands for assistance in the operational activities sector, in particular to help countries achieve the Millennium Development Goals, which henceforth would be the focus of concern for the international community.

46. Over the last few years, United Nations programmes and funds had made considerable progress in implementing reforms set in motion by the Secretary-General. Optimization of their activities, in particular for pooling and coordination of efforts at the national level, was nonetheless an important objective.

47. Guidelines for work relating to the simplification and harmonization of rules and procedures should be based on the results of the 2000-2004 work programme. The process should go a long way towards reducing the number of formalities, thereby alleviating administrative and financial burdens both for beneficiary countries and for the organizations, and fostering better use of donor credits by programmes and funds, while preserving the latters' independence in terms of their mandates.

48. The Russian Federation agreed on the need to improve the quality of the general programming documents of the United Nations system, and to give Governments in beneficiary countries a leading role in that process. At the same time, it stressed that harmonization of programming cycles was not the only condition to be met. The scale of programmes executed in a given country, which should be adapted to the scope of the tasks it was facing, and the Government's view of the relevance of the contents of the CCA and UNDAF were also very important factors.

49. The Russian Federation welcomed initiatives aimed at strengthening the resident-coordinator system, but stressed that it was important to guarantee the financial and administrative means needed to fulfil coordination functions, for which one possible solution would be to debit resources not only from the UNDP budget, but also from the budgets of other United Nations organizations.

50. The common programming practised by United Nations agencies should be encouraged as a tool for improving the coordination and complementary features of activities undertaken at the country level. The Russian Federation took note of progress achieved in that regard, particularly in terms of programming mechanisms, and pointed out that a distinction needed to be made between those mechanisms and processes for preparing common programmes, whose execution modalities should be determined primarily by the Governments of beneficiary countries. Obviously, common programmes should be evaluated in terms of their effect in curbing the administrative expenses of United Nations organizations, simplifying procedures and reducing formalities imposed on beneficiary countries; and also in terms of the return obtained from the assistance provided. At present they did not fully respond to those criteria, far from it. A rational and pragmatic approach was needed by only recommending such programmes when justified for donors, United Nations agencies and beneficiary countries.

51. Collaboration with the World Bank and the International Development Association should continue to be a priority goal for the United Nations system. The United Nations should be more closely involved in the preparation of PRSPs. The Russian Delegation noted with satisfaction that the organization had taken some very energetic steps in that regard.

52. Assistance for post-conflict reconstruction and development currently occupied an essential place within the operational activities of the United Nations operational system. The funds of United Nations programmes should focus on strengthening effectiveness and fine-tuning an appropriate system-wide strategy to ensure coordinated and rapid interventions in countries that had suffered from conflict or crisis. It was extremely important to organize effective collaboration with the Bretton Woods institutions in that connection.

53. With regard to structures established for the review of operational activities, the Russian Federation considered that existing inter-governmental mechanisms were on the whole very effective. It would be unwise to formalize the joint meeting between the Executive Boards and operational funds and

programmes, by giving it decision-making authority. That would give rise to a new structure in the decision-making chain between the General Assembly, the Economic and Social Council, and the Executive Boards; and it would raise a number of questions in terms of rules of procedure and general organization of the workload. Issues of system-wide interest should continue to be studied within the framework of the Economic and Social Council, whose sphere of competence encompasses not only UNDP, UNICEF, UNFPA and WFP, but other United Nations agencies also. The practical interest of the common meetings arose from the fact that their debates were informal, which enabled delegations to engage in more open dialogue and to leave aside ideas and issues that would be addressed later within the Council.

54. **Mr. Yishan** (China), referring to the follow-up to General Assembly resolution 56/201, welcomed the fact that, over the last 10 years, the programmes and funds of the United Nations development system had made progress in the areas of funding, national capacity strengthening and coordination in the field, which had made it possible to increase core resources in 2003. He stressed, however, that funding remained inadequate to achieve the financing targets of each agency, and unstinting efforts were needed to mobilize additional funds, particularly in the form of core resources, to help developing countries attain the Millennium Development Goals more quickly.

55. With a view to 2015, the pace of operational activities needed to be accelerated, because, despite the consensus reached by developed and developing countries in 2002 at the Monterrey Conference on Development Financing, where the roles of each group in attaining the Millennium Development Goals had been defined, the practical implementation of those activities left much to be desired. According to the report prepared by OECD and CAD, official development assistance in 2003 had risen by just 3.9% compared to the previous year, i.e. a much smaller increase than in 2002. In view of that meagre growth, China was concerned that the Millennium Development Goals would not be achieved within the established timeframe, and once again urged developed countries to prove their political will by fulfilling their commitments to increase official development assistance and their contributions in terms of core resources to all United Nations development agencies.

56. As the United Nations development system was characterized by universality, multilateralism, neutrality, flexibility and liberality in its development assistance, the relevant organizations could make a crucial contribution to attainment of the Millennium Development Goals and capacity-strengthening in developing countries. The latter was crucial for attaining the Millennium Development Goals; it was a long-term process that went to the very heart of development and related to all domains. United Nations programmes and funds should therefore draw on all their competencies to strengthen the capacities of countries that were beneficiaries of assistance programmes; and China urged them to take that objective into account in their activities and to implement concrete measures to achieve it.

57. Reforms made to the United Nations development system had been crowned with success, especially in terms of the simplification and harmonization of procedures. The mechanism of coordinators in the field had also been strengthened, making it possible to follow up the major United Nations conferences and summits, and to respond globally to the priorities of programme countries. Simplification and harmonization could also prevent the overlap of activities and competition between agencies for resources, thereby also ensuring optimal exploitation of each institution's assets, fostering complementarity and improving efficiency. In short, it was in the interests of all stakeholders to continue to promote the simplification and harmonization of procedures.

58. **Mr. Seok-hee** (Republic of Korea) welcomed the Secretary-General's report on the triennial policy review in 2004, and stressed its importance in the context of the assessment that the General Assembly had to make next year regarding progress towards the Millennium Development Goals. While acknowledging action taken by the Secretary-General to improve coordination for development, his country stressed that there was still much to do in that sphere, and he placed the accent particularly on the following four points: harmonization between United Nations programmes and national development strategies; funding; simplification and harmonization of procedures; and technical cooperation.

59. While agreeing with the Secretary-General that the United Nations system should adopt a global and people-centred approach to development, the Republic of Korea nonetheless stressed that each developing

country's development strategy should be based on its own capacities and needs, taking account of the country's current stage of development. The development approach should therefore be implemented on a case-by-case basis, and CCAs and UNDAFs needed to be better integrated into national development and poverty reduction strategies. It was also important to take account of the specific needs of least developed countries and those in transition from the relief to the development stage.

60. Stable, predictable and reliable financing of the United Nations development system was essential for strengthening capacities and improving effectiveness. While welcoming the increase in the core resources of certain agencies, the Korean delegation was nonetheless concerned that overall resources remained inadequate. The multi-year funding system had made it possible to improve the predictability and stability of core resources, and the Republic of Korea believed it was necessary to persevere in that direction.

61. Considering that the simplification and harmonization of rules and procedures of the United Nations development system were essential factors for improving effectiveness, the Korean delegation welcomed the action taken by UNDG to speed up the process, and it hoped that the common use of CCAs and UNDAFs, together with joint programming and the inclusion of specialized agencies in that process, would allow continued progress to be made. Korea believed that the use of information and communication technologies (ICTs) would help simplify procedures considerably.

62. Lastly, the Republic of Korea emphasized technical cooperation between developing countries in the framework of South-South cooperation, particularly in the ICT area. In order to bridge the digital divide, which posed serious problems for developing countries, it was important to raise public awareness of ICTs and to develop the competencies of developing countries in that area. The Republic of Korea would continue to participate actively in technical cooperation between developing countries, particularly in the ICT area, providing technical training, encouraging exchanges between specialists and helping to implement ICT infrastructure.

63. **Mr. Ngo Duc Thang** (Vietnam) stated that the Vietnamese Government was determined to ensure the Millennium Development Goals were achieved. It had collaborated with different United Nations agencies to speed up the process of simplification and harmonization of administrative and financial procedures, and to formulate, execute and supervise a number of development projects, particularly in the context of CCA/UNDAF and PRSPs. Thanks to reforms that had engendered a climate of political stability, along with relatively strong economic growth and a more favourable investment climate, it had achieved remarkable results in terms of halving the proportion of people living in misery and hunger since 1990, guaranteeing gender equality, strengthening activities to prevent HIV/AIDS, and creating favourable conditions for sustainable development.

64. Despite the considerable progress accomplished over the years, however, Vietnam continued to suffer from a number of difficulties: weak economic competitiveness; inadequate resources; glaring development disparities between provinces, districts and social groups; and infrastructure deficiencies, particularly in mountainous and isolated regions, etc. It therefore welcomed the initiatives taken by all stakeholders, including international organizations, the United Nations and related bodies, to ensure greater coherence in the functioning of the United Nations system at the country level, and to bring its activities into line with development objectives defined at major United Nations conferences, particularly the Millennium Development Goals. For that purpose, the Vietnamese delegation wanted to make clear that it shared the views expressed by the representative of Qatar on behalf of the Group of 77 and China, under agenda item 3, particularly as regards the role of the United Nations at the country level, national capacity strengthening, South-South cooperation and mobilization of resources.

65. **Mr. [*sic*] Interiano** (El Salvador) stressed the importance of the presence of United Nations institutions in developing countries for the coordination of projects and programmes. Twelve years after the signing of peace accords, El Salvador was fully committed to a process of national reconciliation, strengthening of democracy, respect for human rights and sustainable development. Progress accomplished in that regard was to the credit of the United Nations system and UNDP in particular.

66. El Salvador noted with concern that certain developed countries had retargeted their international cooperation resources away from Latin America.

Nonetheless, technical and financial cooperation from the international community was essential to enable middle-income countries to press ahead with efforts to strengthen democracy and reduce poverty. International organizations should therefore review the criteria they used to classify middle-income countries by analyzing specific local features of development that reflected reality.

67. Lastly, stronger links were needed between United Nations operational activities for development and other activities such as strengthening of peace, humanitarian assistance, protection of human rights or the promotion of international justice, to ensure that the correlation between peace, security and development was recognized. Given the paucity of technical, financial and human resources in developing countries, action was needed from the United Nations system to foster an exchange of experiences between countries that had accomplished successful development processes.

68. **Mr. Alim** (Bangladesh) believed the United Nations system could help create capacities and establish an environment that would bring peace, security and sustainable development, by encouraging good governance at the national and international levels. Nonetheless, the policies of the United Nations and those of the Bretton Woods institutions were not evolving in the same direction, since the latter saw the strengthening of peace as a marginal concern, and gave priority to developing countries whose socioeconomic policies were relatively stable, which meant that LDCs were left out. The complementary aspects of the two systems therefore needed strengthening.

69. Development should be conceived and achieved at the initiative of individual countries, in accordance with their national priorities. Planning, programming, implementation, follow-up and evaluation of CCAs and UNDAFs should thus stem from the host country. Those tools should lead to a convergence of views, coherence and integration in order to strengthen the implementation of essential national priorities and avoid unproductive costs. Harmonization of the structures of United Nations institutions would strengthen collaboration and dissemination of specialized knowledge in support of country programmes.

70. With regard to gender mainstreaming, the CCA and interim PRSP in force in Bangladesh made it possible to promote gender equality at the execution level. Bangladesh was proud of having promoted, in conjunction with the United Kingdom, a resolution to mainstream gender in all policies and programmes of the United Nations system, which had been presented to the Commission on the Status of Women last March.

71. The United Nations also had an active role to play in responding to the growing demand for assistance in conflict or post-conflict situations and in crisis prevention, involving all stakeholders.

72. Achieving the goal of eradicating poverty continued to depend on external factors, such as trade, debt, assistance and the payments made by Bangladesh abroad. The development cooperation system needed to take account of the growing threats to security posed by poverty, hunger, malnutrition and the HIV/AIDS pandemic – threats that could be reduced by adopting a people-centred development approach. Development initiatives should aim to create employment and incomes, by making the most of the competencies and resources of national and international institutions. The United Nations had a leading role to play in creating partnerships with all stakeholders, for which it needed access to a set of stable, certain and reliable core resources. A global and systematic approach from United Nations programmes should be encouraged to underpin the creation of sustainable capacities in developing countries, and thereby achieve the common goals of peace, security and development.

73. **Ms. Homanovska** (Ukraine) noted the progress achieved in implementing General Assembly resolution 56/201 (Triennial policy review of operational activities for development of the United Nations system), and in the coordination of activities of the United Nations system within its institutions and in the field. Nonetheless, procedures needed to be simplified still further in order to enhance the provision of services and strengthen capacities for managing programmes and projects.

74. Ukraine applauded the proliferation of strategic planning instruments such as CCA and UNDAF. Nonetheless, the impact of United Nations operational activities for development needed strengthening through a substantial increase in predictable, continuous and guaranteed funding, to keep pace with the growing needs of destination countries. It was also necessary to achieve better balance and refocus resources on essential needs, based on results obtained

in the field. The implementation of multi-year funding frameworks ought to be useful in that regard. Furthermore, better coordination was needed between the policies and programmes of United Nations agencies and those of the Bretton Woods institutions at the sector and strategic levels.

75. Lastly, the Ukraine would like the assistance provided to place greater emphasis on issues such as the prevention and treatment of HIV/AIDS, or alleviation of the long-term consequences of the Chernobyl disaster. The recent transfer of the coordination functions of the Office for the Coordination of Humanitarian Affairs to UNDP was intended to help mobilize resources and strengthen the impact of programming activities in that area. A UNFPA country programme also needed to be implemented to meet the growing demand for reproductive health care.

76. **Ms. Wadibia-Anyanwu** (Nigeria) expressed support for the statement made by the representative of Qatar on behalf of the Group of 77 and China, and noted that the triennial policy review of the operational activities for development of the United Nations system could enable the Council to promote dialogue between development partners, particularly since enhanced cooperation was needed in the field and at the institutional level, to guarantee the effectiveness of the resident-coordinator system. The results of that cooperation were already visible in terms of gender-equality issues. Nigeria considered that the priorities in implementing programmes should be determined by the countries in question, which should be encouraged to formulate and apply their own policies, in partnership with the relevant stakeholders, including United Nations institutions.

77. General Assembly resolution 56/201 recognized the need to integrate assistance-recipient countries into the development process – a point that was taken up in the Secretary-General's report. Nonetheless, experience in the field revealed disparities in the way that need was being met. The current reform process should make it possible to guarantee more effective coordination in implementing CCAs and UNDAFs at the country level. Despite the progress achieved, there was still much to do in order to simplify and harmonize the procedures of the United Nations system, not only to make them more effective, but also to alleviate the cost burden on recipient countries.

78. Lastly, the multi-year funding framework, which should make the financing of United Nations operational activities more predictable, seemed to be measuring up to expectations. Nonetheless, implementation needed to be continued, particularly by mobilizing non-earmarked credits, to enable assistance-recipient countries to attain commonly accepted development objectives.

79. **Mr. Gallegos Chiriboga** (Ecuador) said that developing countries should benefit from the 10-year review in 2005 of the implementation of internationally agreed development goals and the follow-up to United Nations conferences and summits, to ensure that their priorities were recognized in activities of the United Nations system. The review should be conducted with regard to objectives achieved nationally. The lack of predictable funding was worrying however. In that context, CCAs were useful, for they were the result of work carried out in the field and reflected the reality of the countries concerned.

80. Ecuador was very keen for international institutions to function as effectively as possible. It therefore stood ready to help improve the way they operated, and it appealed to other countries to raise the level of their contributions – this was all the more urgent since six of the 17 main backers had reduced their support for 2001 and 2002. Lastly, and above all, the budgetary management capacity of those institutions needed strengthening.

81. The process to turn internationally agreed objectives into domestic reality in individual countries had to be achieved on a variety of levels – institutional, country, and international community. In that connection, a country's domestic circumstances needed to be related to its external reality: each country assessment needed to take account of the external variables affecting relations between States.

82. The effectiveness of joint meetings between the Executive Boards of United Nations programmes and funds needed to be highlighted, since they made it possible to continuously evaluate their activities, identify existing problems and quickly resolve them, and reminded States that the onus was on them to take the initiative on the measures to be adopted.

83. Reform of the resident-coordinator system was encouraging, but it needed to be transformed into effective links between institutions and aid recipients in the field. Ecuador had created a "United Nations

House" which accommodated all institutions with offices in the country, grouping them together physically and reaping economies as a result. It was also participating in a pilot programme on common services, and generally supported the process to simplify and harmonize United Nations activities. All of these efforts demonstrated Ecuador's desire to contribute towards the achievement of development goals, which were a factor for stability, peace and security.

84. **Mr. Lovald** (Norway) expressed the hope that the current debate would bring additional coherence and coordination to the work of the United Nations system; and he pointed out that the Norwegian International Development Ministry had presented a paper proposing rearrangements in operational activities. He stated that Norway firmly supported the reform efforts undertaken by the Secretary-General, but deplored the lack of progress made in terms of programming and common implementation of resources.

85. The representative of Norway stressed that United Nations entities should not restrict themselves to harmonizing their internal procedures. The organization should follow the example set by donors in bringing their programmes into line with national plans relating to the poverty reduction strategy, debt conversion or national budgetary support. Moreover, the presence of the United Nations in the field needed to be unified and coherent. In that regard, more systematic creation of common premises and services would make it possible to reduce costs and facilitate collaboration between the different entities. It was also important for specialized agencies to engage more actively in the operational reform process, and to be held accountable in the same way as programmes and funds.

86. In the speaker's opinion, the common country assessment and the United Nations development assistance framework were fundamental tools for improving collaboration between the different agencies, establishing common programming and ensuring the Millennium Development Goals were achieved. After paying homage to the United Nations Development Group for the work accomplished in that regard, he insisted on the need to prepare joint programmes by pooling resources, and to encourage the Bretton Woods institutions and other agencies that did not have a presence in the field to participate more actively in the process of preparing the framework.

87. Stressing the importance of cohesion within United Nations country teams, the speaker considered that the resident-coordinator system, which had a vital role to play, should be strengthened in terms of resources and be given more authority. He also welcomed the agreement reached between the Secretary-General and the UNDP Administrator to increase the number of women resident coordinators.

88. The representative of Norway said it was desirable to continue with and strengthen the joint meetings of programmes and funds. Such meetings could address not only the harmonization of procedures but also issues such as the framework, joint evaluation plans, cost recovery policies and other inter-sectoral issues.

89. Development assistance needed to be increased significantly if the Millennium Development Goals were to be achieved. The commitments made at Monterrey had produced encouraging results in that regard. Nonetheless, the five leading donors were contributing two thirds of all funds allocated to United Nations operational activities; it was therefore necessary to design an appropriate system to ensure a more equitable distribution of the burden. The speaker also noted that there was an increasing imbalance between contributions to core resources and those made to other resources; he proposed provisions be adopted to encourage a reorientation of official development assistance toward financing basic activities and multi-year funding frameworks.

90. Lastly, the United Nations system needed to enhance its ability to respond to post-conflict transition situations, by better integrating its political, humanitarian and development activities, and strengthening its cooperation with international financial institutions at Headquarters and in the field. Links with the Secretariat needed tightening, and programmes and funds needed to participate actively in the early phases of planning and initial evaluation missions. In conclusion, the representative of Norway stated that, at its 59th session, the General Assembly should consider new measures to enable the United Nations system to play an effective role in helping countries attain the Millennium Development Goals.

91. **Mr. Dauth** (Australia) said that his country continued to vigorously support the action of United Nations agencies and appreciated the contribution they were making alongside initiatives taken by Australia

on regional and bilateral assistance. Australia would pay over $A 61 million as a direct contribution to funding the core resources of the United Nations development system in 2004-2005; and it was also making substantial contributions towards other resources for activities within domains or objectives that coincided with its own, or where programmes had proven their effectiveness.

92. It was true, as the Secretary-General had indicated in his report, that significant progress had been made particularly in terms of ensuring better cohesion in operations at the country level, and in adapting programmes to attain internationally agreed development goals, or even in terms of certification and harmonization procedures. Australia also applauded efforts made to strengthen coordination and support in the field, with the implementation of UNDAF and CCA, to establish links between frameworks, common assessments, the Millennium Development Goals and the development priorities of partner countries, and foster collaboration with stakeholders outside the United Nations system. While congratulating the Secretary-General and the agencies for achievements to date and ongoing initiatives, Australia noted that there was still much to do to apply the reform programme effectively. In his report, the Secretary-General had drawn attention to a number of areas that required additional effort. Australia attached fundamental importance to the following points: (a) establishment of a system characterized by genuine "unity of intention and action", since that characteristic was fundamental for the effective functioning of United Nations agencies, particularly at the country level; (b) the launch of new common programming initiatives if necessary, strengthening of the resident-coordinator system and adoption of regional approaches when justified; (c) strengthening of results-based management; (d) maximization of the impact of the United Nations system by exploiting its advantages, but also taking account of the important role to be played by bilateral donors, regional organizations, the Bretton Woods institutions and NGOs, and collaborating closely with them; (e) strengthening and more exhaustive use of the evaluation functions of the different United Nations agencies; (f) greater concentration on regions and countries emerging from conflict, in order to prepare a coherent, concerted and effective action strategy for the United Nations system as a whole in transition countries; (g) intensification of efforts to ensure gender-equality concerns were systematically taken into account in activities; and (h) review of issues relating to the funding of United Nations programmes and funds, duly noting the importance of the quality factor for assistance (effectiveness and targeting).

93. In Australia's opinion, it was essential that the United Nations system continued to improve its utility and effectiveness, in order to maintain its reputation. It needed to continue adapting to the international context, pursue ongoing reforms and demonstrate its ability to fulfil its promises in order to preserve and strengthen its position as a key development partner.

94. **Mr. Gopinathan** (India) supported the statement made by the representative Qatar on behalf of the Group of 77 and China. Recalling that the operational activities of the United Nations system aimed to support developing countries' efforts to ensure sustainable development and eradicate poverty, he stressed the importance of not losing sight of that objective by putting undue emphasis on procedures in the search to create a rational and effective system. When the Council took stock of the general principles that governed operational activities for development, it should cast a critical eye over the concepts of evaluation, harmonization, results-based management, and other procedural issues.

95. The operational activities of the United Nations system were characterized by their objectivity, neutrality and impartiality. It was vitally important to avoid any action that would risk undermining those characteristics, and consequently erode the credibility of the system vis-à-vis developing countries.

96. The inherent comparative advantages and value-added of operational activities for development were the basic concepts that underpinned programming carried out at the instigation of the countries. It was the leadership exerted by countries themselves that led to national ownership and kept programmes aligned with national priorities. Programmes and funds should therefore keep those priorities at the centre of their planning processes. Equally, in the framework of national capacity strengthening, United Nations bodies needed to act flexibly and respect the countries' plans and priorities.

97. Simplification and harmonization of procedures were justified insofar as they made it possible to reduce transaction costs for Governments in beneficiary countries. Admittedly it was useful to

harmonize the programming cycles of the different programmes and funds, but from the standpoint of developing countries it was essential to harmonize them with budgetary and planning cycles in beneficiary countries. The experience accumulated by UNFPA in the field had also made it possible to overcome difficulties in adapting to new instruments and procedures. India noted with considerable concern that the Secretary-General had mentioned in his report that the simplification process had – at least for the moment – created an additional burden for Governments and the United Nations system. Furthermore, the incidence of CCA/UNDAF operations on the cost-effectiveness of the activities of the United Nations system was difficult to assess, since the preparation of those operations had already involved extra work. Lastly, initiatives that aimed to ensure harmonization with bilateral donors risked weakening the control exerted by beneficiary countries, or could even introduce implicit conditionalities in United Nations operational activities.

98. The Indian delegation had always taken the view that external assistance should be coordinated exclusively by the Governments of beneficiary countries. The coordination exerted by United Nations agencies should only contribute to the assistance provided by their intermediaries. Proceeding in that way, one could be certain that those organizations would contribute consistently to attaining development objectives aligned with the plans and priorities established by the countries in question.

99. The Millennium Development Goals, and the commitment they required from the international community, were bound to affect the volume of ordinary resources available for the operational activities for development of the United Nations system. On the other hand, their incidence on the nature and orientation of those activities should be limited by the fact that primacy needed to be given to the country's plans and priorities. It was therefore important to make non-earmarked contributions in the form of core resources to finance development activities. In that connection, India was concerned by the growing imbalance between "core resource" contributions and those made to "other resources", and by the proliferation of earmarked funds. India also noted that the increase in core resources recorded by the UNDP and UNICEF was partly explained by exchange-rate fluctuations.

100. In the light of efforts made to improve the cost-effectiveness of activities, it would be useful to analyse – separately for each fund, programme or agency – the proportion of funding channelled into promotion and awareness-raising activities (on which subject many developing countries had expressed reservations), and the proportion allocated to specific programmes and projects.

101. India called for South-South cooperation to be strengthened, by integrating developing-country contributions within the triangular partnership framework. It would be useful to analyze how the United Nations development system could contribute more effectively to strengthening that cooperation.

102. **Ms. Rosito** (Brazil) expressed support for the statement made by the representative of Qatar on behalf of the Group of 77 and China, and wished to draw attention to three issues that she considered particularly important.

103. The first related to role of the Economic and Social Council in terms of coordination and orientation the operational activities of the United Nations for development. This made it possible to apply the broad system-wide guidelines defined by the General Assembly and needed to be strengthened. That issue had been raised several times in the debate on operational activities, and the need had been stressed for a global process to integrate strategy definition, monitoring of execution and evaluation of the impact of the system's activities in a consistent framework, in order to ensure more effective action at the country level. Reforms introduced in recent years, particularly those relating to the simplification and harmonization of procedures, and enhancement of effectiveness and returns, had made a major contribution to improving the system's capacity to work with member countries to attain the objectives set out in national development strategies, and in the Millennium Declaration. Nonetheless, crucial issues remained to be resolved, such as knowing how to ensure effective action within the Economic and Social Council, to transmit general policy guidelines to the Executive Boards of the different organizations, including a strategy to improve coordination between United Nations funds, programmes and specialized agencies.

104. One suggestion for improving system-wide coordination might be to make better use of existing mechanisms such as the United Nations System Chief

Executives Board for Coordination and the United Nations Development Group. It was encouraging to note that those mechanisms had been tasked with ensuring greater system-wide coherence at the program level; but Brazil considered that the Economic and Social Council could take better advantage of the possibilities offered by those mechanisms, which encompassed a large number of organizations. There was a cause-effect relation between rationalization at a strategy level, and strengthening of cooperation at the country level. The suggestion that one could strengthen the role of resident coordinators by releasing them from day-to-day UNDP tasks, thereby enabling them to concentrate more on coordination and leadership functions in the field, was an interesting one.

105. The final important point concerned South-South cooperation, which, in Brazil's opinion, could not replace North-South cooperation. Instead it should make it possible to encourage the establishment of links and the creation of reservoirs of useful data gleaned from experience. In that context, India, Brazil and South Africa had launched the IBSA Fund, which aimed to prepare an inventory in those countries, of small-scale projects and best practices that could be transposed to developing countries that were interested, particularly the least developed countries. Instead of competing with activities undertaken by other funds and mechanisms, such as the Global Solidarity Fund, innovative initiatives of that type could play a catalytic role by encouraging United Nations agencies to systematically integrate South-South cooperation into their work, and demonstrate the importance that developing countries attached to operational activities. Similarly, it was necessary to improve the coordination of actions undertaken by the Special Unit for Technical Cooperation between Developing Countries with various bilateral or multilateral projects currently under execution.

The meeting rose at 1.00 p.m.